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State Approaches to Strategic Long-Term Planning

Presentation before the

Legislative Planning Committee

Pierre, South Dakota



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Overview

- Traditional state methods of forecasting/planning:
 - Revenue & expenditure forecasting
 - Florida's long-range financial outlook
- State examples of strategic long-term planning:
 - Hawaii, Kentucky, Nebraska & Texas
- Methodologies used
- Questions

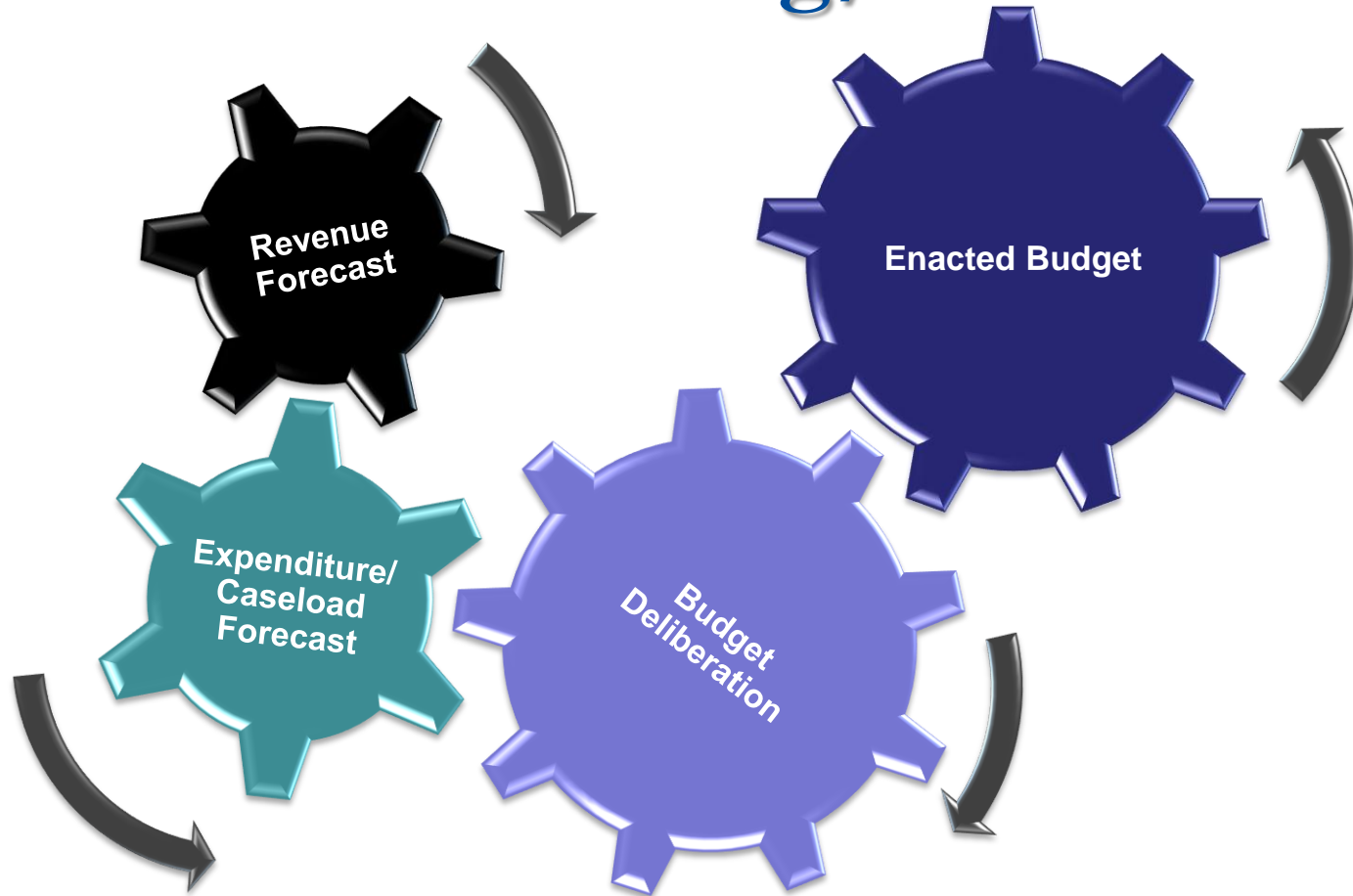


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Traditional Planning/Forecasting





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Long-Term Revenue Forecasting Period

- Alaska: 7 years
- Colorado: 3 years
- Louisiana: 4 years
- Maryland: 5 years
- Wyoming: 4 -6 years



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Expenditure Caseload Forecasting

- Colorado:
 - K-12 and corrections caseloads are forecast 3 years.
 - Medicaid is forecast 5 years into the future.
- Hawaii:
 - 6 year planning period for all revenues and expenditures.
- Iowa:
 - The state prison population is forecast annually for a 10 year period.



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Expenditure Caseload Forecasting

- Texas:
 - The LBB publishes a 5-year criminal justice population forecast. For all other program areas the LBB makes internal assumptions.
- Wisconsin:
 - Five year expenditure assumptions are made by the executive branch.



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Florida

Long-Range Financial Outlook

- Established in 2006 by a voter-approved constitutional amendment.
- Created in the fall and begins Florida's budget process.
- Prepared jointly by the Senate Committee on Budget, the House Appropriations Committee and the Legislative Office of Economic and Demographic Research.
- Approved by the Legislative Budget Commission each September.



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Florida

Long-Range Financial Outlook

- **Purpose:** Avoid future budget problems and maintain financial stability between fiscal years.
- Annually provides a three-year report on Florida's fiscal condition.
 - Analyzes current spending law and projected spending and compares with revenue estimates.
 - Also takes demographic and economic factors into account.
- Identifies spending trends in policy areas that are budget drivers.
 - Provides minimum cost to fund the budget without significant changes.

http://edr.state.fl.us/Content/long-range-finacial-outlook/3-Year-Plan_Fall-2011_1213-1415.pdf



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State Demographic Offices

- States have a variety of different sources for measuring demographics:
 - 26 states - executive branch agency or office
 - 7 states - office within governor's cabinet
 - 11 states - universities
 - 3 states - unique approaches
 - Delaware, Iowa & New York have state data centers



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Kentucky

Long-Term Policy Research Center

- Created in 1992 through legislation, closed in 2010.
- Considered part of legislative branch, operated independently.
- Governed by 21-member Board of Directors.
 - 6 legislators, 4 executive branch, 11 at-large citizen members.
- Staffed by an Executive Director & six staff.
- Mission Statement, Purpose, Duties, Board Membership and Powers were all defined in the 1992 enacting legislation.



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Kentucky

Long-Term Policy Research Center

Activities:

- Statewide scanning program
- Biennial report on trends and long-term implications of those trends.
 - Held public hearings for draft report review.
- Targeted occasional papers on timely policy topics.



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Nebraska

Legislature's Planning Committee

- Structure very similar to this committee.
- Created in 2009 by LB 653.
- Mission statement defined and nine policy areas identified.
 - One goal for each area created.
- Working with the University of Nebraska.
- Currently working on "policy statements."
- Committee cannot introduce legislation.



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Hawaii

Hawaii 2050 Sustainability Task Force

- Created in 2005 to develop a sustainability plan to address the state's vital needs through 2050.
- 25 members, from public & private sectors.
- Five central questions led to five overarching goals →



<http://www.hawaii2050.org/>



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Hawaii

Hawaii 2050 Sustainability Task Force

- Five goals → Strategic Actions → Indicators.
- Priority Actions (Intermediate Steps) & 2020 Benchmarks.
- Total cost: \$1.6 million spent over 4 years.
 - Costs: consulting firm, public surveys, meeting costs, member travel to Capitol.
- Result: University directed to develop framework for policy goals. Also, codified sustainability definitions, guidelines and principles.



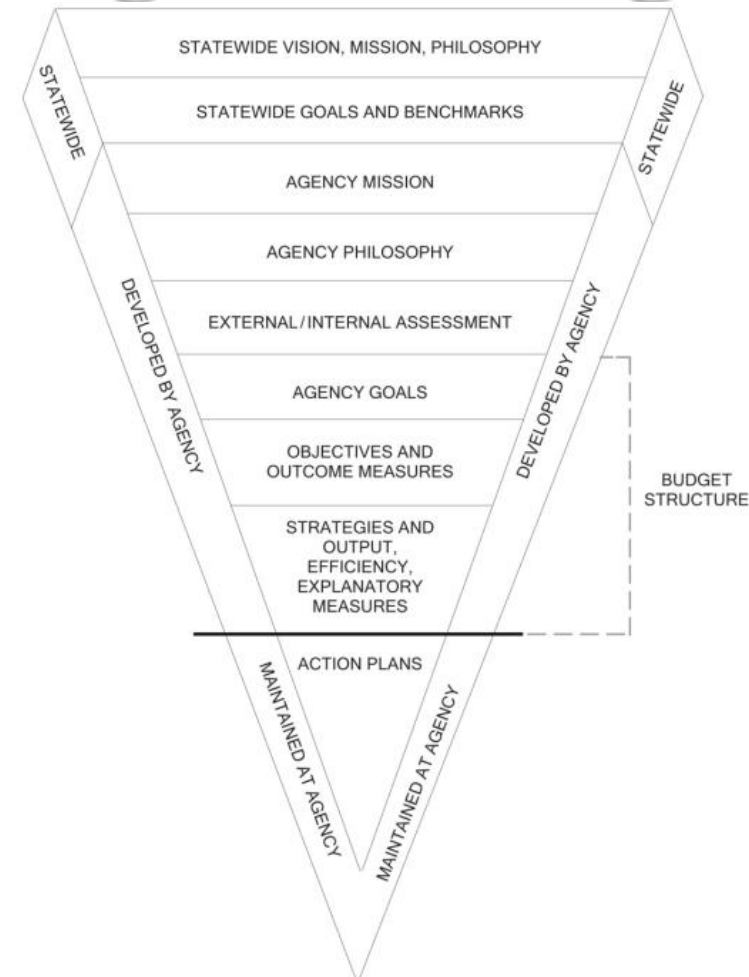
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Texas-State Agency Strategic Planning

- Enacted in 1991 by H.B. 2009.
- Requires all executive branch agencies to complete strategic plans every 2 years.
- 5 year planning horizon.
- Plan rules promulgated by Legislative Budget Board & Governor's Office of Budget, Planning & Policy.



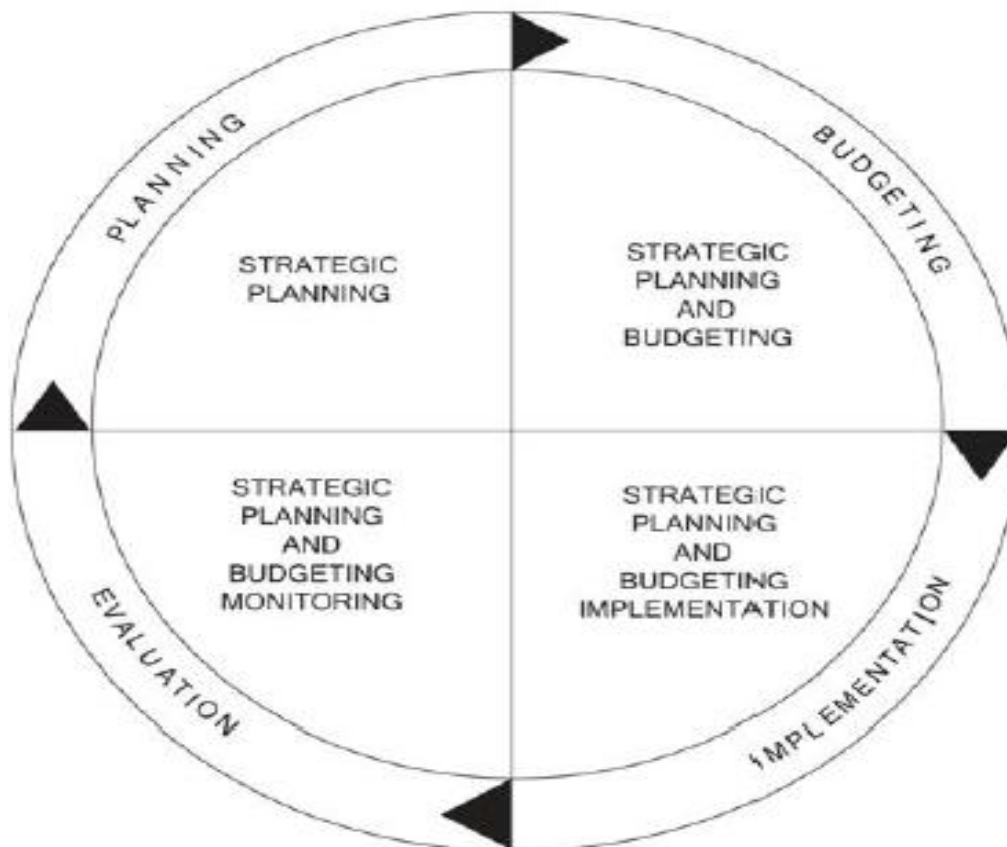


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Texas-State Agency Strategic Planning



Plan instructions:

http://www.lbb.state.tx.us/Strategic_Plans/Instructions%20for%20Preparing%20and%20Submitting%20Agency%20Strategic%20Plans.pdf

TDHCA Plan: <http://www.tdhca.state.tx.us/housing-center/docs/12-stratplanFY13-17.pdf>



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A Practical Guide to Futures Study

1. Establish a Focal Issue
 - Vision
 - Scope
 - How far into the future?
2. SWOT
3. Develop a Sense of History
4. Identify and Assess
 - Demographics
 - Trends
5. Identify Core Values
6. Develop Alternatives
7. Develop an Action Plan
8. Implementation



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Methodology Summary

- Goals-based methodology primarily used in state plans.
 - Mission (Purpose) → Vision → Goals → Strategic Plan → Benchmarks → Implementation
- Aspects of other models are often incorporated.



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Key Challenges

- Making it relevant in the policy process.
- Implementation, implementation, & implementation
 - How to avoid "Olympic Diver's Syndrome?"
- Making the plan timely and timeless.
- Measuring progress with quantifiable benchmarks.



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Thank You

